

_____ BILL NO. _____

INTRODUCED BY _____

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE BIG SKY ECONOMIC DEVELOPMENT TRUST FUND PROGRAM; TRANSFERRING THE MONEY REMAINING IN THE BIG SKY ECONOMIC DEVELOPMENT TRUST FUND SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF JUSTICE TO ASSIST IN ADMINISTERING THE METHAMPHETAMINE WATCH PROGRAM; REQUIRING THE DEPARTMENT OF COMMERCE TO TRANSFER ANY LOAN PAYMENTS RECEIVED AFTER THE BIG SKY ECONOMIC DEVELOPMENT TRUST FUND PROGRAM IS ELIMINATED TO THE GENERAL FUND; AMENDING SECTIONS 17-5-703 AND 17-7-502, MCA; REPEALING SECTIONS 90-1-201, 90-1-202, 90-1-203, 90-1-204, AND 90-1-205, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 17-5-703, MCA, is amended to read:

"17-5-703. (Temporary) Coal severance tax trust funds. (1) The trust established under Article IX, section 5, of the Montana constitution is composed of the following funds:

(a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal severance tax must be deposited;

(b) a treasure state endowment fund;

(c) a treasure state endowment regional water system fund;

(d) a coal severance tax permanent fund;

(e) a coal severance tax income fund; and

(f) a coal severance tax school bond contingency loan fund; ~~and~~

~~_____ (g) a big sky economic development fund.~~

(2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12 months and retain that amount in the coal severance tax bond fund.

(b) The amount in the coal severance tax bond fund in excess of the amount required in subsection (2)(a) must be transferred from that fund as provided in subsections (3) ~~through (5)~~ and (4).

(3) (a) As long as any school district bonds secured by state loans under 20-9-466 are outstanding, the state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

(b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12 months.

(4) (a) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsection (3).

(b) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment regional water system fund 25% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsection (3).

(c) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure state endowment special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account in accordance with 90-6-710. Earnings not transferred to the treasure state endowment special revenue account must be retained in the treasure state endowment fund.

(d) The state treasurer shall monthly transfer from the treasure state endowment regional water system fund to the treasure state endowment regional water system special revenue account the amount of earnings, excluding unrealized gains and losses, required to meet the obligations of the state that are payable from the account for regional water systems authorized under 90-6-715. Earnings not transferred to the treasure state endowment regional water system special revenue account must be retained in the treasure state endowment regional water system fund.

~~(5) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the big sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred~~

1 pursuant to subsection (3):

2 ~~—— (b) The state treasurer shall monthly transfer from the big sky economic development fund to the~~
 3 ~~economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding~~
 4 ~~unrealized gains and losses, required to meet the obligations of the state that are payable from the account in~~
 5 ~~accordance with 90-1-204. Earnings not transferred to the economic development special revenue account must~~
 6 ~~be retained in the big sky economic development fund.~~

7 (6)(5) Any amount in the coal severance tax bond fund in excess of the amount that is specified in
 8 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
 9 deposited in the coal severance tax permanent fund. (Terminates June 30, 2016--sec. 1, Ch. 70, L. 2001.)

10 **17-5-703. (Effective July 1, 2016) Coal severance tax trust funds.** (1) The trust established under
 11 Article IX, section 5, of the Montana constitution is composed of the following funds:

12 (a) a coal severance tax bond fund into which the constitutionally dedicated receipts from the coal
 13 severance tax must be deposited;

14 (b) a treasure state endowment fund;

15 (c) a coal severance tax permanent fund;

16 (d) a coal severance tax income fund; and

17 (e) a coal severance tax school bond contingency loan fund; ~~and~~

18 ~~—— (f) a big sky economic development fund.~~

19 (2) (a) The state treasurer shall determine, on July 1 of each year, the amount necessary to meet all
 20 principal and interest payments on bonds payable from the coal severance tax bond fund during the next 12
 21 months and retain that amount in the coal severance tax bond fund.

22 (b) The amount in the coal severance tax bond fund in excess of the amount required in subsection
 23 (2)(a) must be transferred from that fund as provided in subsections (3) ~~through (5)~~ and (4).

24 (3) (a) As long as any school district bonds secured by state loans under 20-9-466 are outstanding, the
 25 state treasurer shall from time to time and as provided in subsection (3)(b) transfer from the coal severance tax
 26 bond fund to the coal severance tax school bond contingency loan fund any amount in the coal severance tax
 27 bond fund in excess of the amount that is specified in subsection (2) to be retained in the fund.

28 (b) The state treasurer shall transfer the amount referred to in subsection (3)(a) until and unless the
 29 balance in the coal severance tax school bond contingency loan fund is equal to the amount due as principal of
 30 and interest on the school district bonds secured by state loans under 20-9-466 during the next following 12

1 months.

2 (4) (a) Until June 30, 2016, the state treasurer shall quarterly transfer to the treasure state endowment
3 fund 50% of the amount in the coal severance tax bond fund in excess of the amount that is specified in
4 subsection (2) to be retained in the fund and in excess of amounts that are transferred pursuant to subsection
5 (3).

6 (b) The state treasurer shall monthly transfer from the treasure state endowment fund to the treasure
7 state endowment special revenue account the amount of earnings, excluding unrealized gains and losses,
8 required to meet the obligations of the state that are payable from the account in accordance with 90-6-710.
9 Earnings not transferred to the treasure state endowment special revenue account must be retained in the
10 treasure state endowment fund.

11 ~~(5) (a) From July 1, 2005, through June 30, 2025, the state treasurer shall quarterly transfer to the big~~
12 ~~sky economic development fund 25% of the amount in the coal severance tax bond fund in excess of the amount~~
13 ~~that is specified in subsection (2) to be retained in the fund and in excess of amounts that are transferred~~
14 ~~pursuant to subsection (3).~~

15 ~~—— (b) The state treasurer shall monthly transfer from the big sky economic development fund to the~~
16 ~~economic development special revenue account, provided for in 90-1-205, the amount of earnings, excluding~~
17 ~~unrealized gains and losses, required to meet the obligations of the state that are payable from the account in~~
18 ~~accordance with 90-1-204. Earnings not transferred to the economic development special revenue account must~~
19 ~~be retained in the big sky economic development fund.~~

20 ~~(6)(5)~~ Any amount in the coal severance tax bond fund in excess of the amount that is specified in
21 subsection (2)(a) to be retained in the fund and that is not otherwise allocated under this section must be
22 deposited in the coal severance tax permanent fund."

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24 **Section 2.** Section 17-7-502, MCA, is amended to read:

25 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
26 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the
27 need for a biennial legislative appropriation or budget amendment.

28 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
29 of the following provisions:

30 (a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-407; 5-13-403; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-1-115; ~~90-1-205~~; 90-3-1003; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 7, Ch. 314, L. 2005, the inclusion of 23-4-105, 23-4-202, 23-4-204, 23-4-302, and 23-4-304 becomes effective July 1, 2007; and pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010.)"

NEW SECTION. Section 3. Repealer. Sections 90-1-201, 90-1-202, 90-1-203, 90-1-204, and 90-1-205, MCA, are repealed.

NEW SECTION. Section 4. Use of remaining funds. Upon termination of the big sky economic

1 development program, the balance remaining in the special revenue account established in former 90-1-205 is
2 transferred to the department of justice to assist in administration of the methamphetamine watch program
3 pursuant to Title 44, chapter 4, part 10. The department of commerce shall deposit any loan payments received
4 following termination of the program into the general fund.

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6 **NEW SECTION. Section 5. Saving clause.** [This act] does not affect rights and duties that matured,
7 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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9 **NEW SECTION. Section 6. Effective date.** [This act] is effective July 1, 2007.

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